

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JOHN M. GARMAN
from the decision of the Board of Equalization of Benewah
County for tax year 2006.

) APPEAL NO. 06-A-2474
) FINAL DECISION
) AND ORDER

RECREATIONAL LAND APPEAL

THIS MATTER came on for hearing October 17, 2006, in St. Maries, Idaho, before Board Member Vernon L. Driver. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. John and Tony Garman appeared for Appellant. Assessor Teresa Jeffrey and State Appraiser Ron Craig appeared for Respondent Benewah County. This appeal is taken from a decision of the Benewah County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RP006600000150A.

The issue on appeal is the market value of a recreational lot.

The decision of the Benewah County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$54,050, and the improvements' valuation is \$840, totaling \$54,890. At hearing Appellant requested that subject be valued at \$47,500 and improvements' value remain at \$840, totaling \$48,340.

Subject is a recreational lot located on the St. Joe River. Subject has 120.7 feet of river frontage.

Appellant stated subject is a camping lot accessible four months a year. There is no fresh water or sewer available. Subject is said to be unbuildable land with limited access because of high waters. Subject does have electricity.

Both parties put the emphasis on two riverfront sales in subject's subdivision to determine value.

Appellant used non-time adjusted sales to determine land value. Only two lots have sold since 2004. Lot #13 sold for \$37,500 (121.76 feet of frontage) in September of 2004 and Lot #4 (122.17 feet of frontage) sold for \$47,500 in March of 2005. Appellant valued subject at \$47,500 based on the most recent sale of a similar lot in subject's subdivision.

Respondent used the same two comparable sales but stated that the County Assessor is required by law to assess property as of January 1 each year. The sales predated the lien date of January 1, requiring the older prices be adjusted forward to the lien date. After adjusting for time at a positive 3% a month, the adjusted prices were \$544 and \$494 per front foot. Subject was valued at \$450 per front foot. Appellant argued the adjustment of 3% a month is way out of line. The Assessor testified that seven verified sales were used to determine the time adjustment.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Market value is defined in Idaho Code § 63-201(10) (2006) as follows:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Recent, proximate sales of comparable property are typically considered in valuing land. In this case, the Assessor found insufficient recent comparable sales to value subject. Therefore he analyzed seven sales to establish a time adjustment.

We find Appellant's claim was not supported by a preponderance of evidence. Although we find the support for the Assessor's time adjustment somewhat thin, the sales do indicate an increase in price per front foot between the 2004 and 2005 sales. We find some time adjustment is warranted. Appellant believed no time adjustment was warranted. However no sound support for the claim was offered.

The decision of the Benewah County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Benewah County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 28th day of February , 2007.